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THE LEGAL NATURE OF THE STATE FINANCIAL CONTROL FUNCTION

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Abstract. In this article, the author analyzed the functions of state financial control and the categories related to state financial activities. The purpose of this study is to develop proposals and conclusions aimed at improving the functions of state financial control and state financial activities as a result of the study. The function of state financial control is the main activity arising from the tasks of state financing. The financial activity of the state plays an important role in these processes. In order to finance the state, it is necessary to systematically and purposefully carry out state financial control, which, in turn, leads to an open and transparent formation of the state budget. The existence of the state is linked to the extent to which its activities are funded. For example, all state revenues should be reflected in the State Budget and special funds. Tax and non-tax payments levied on the state's income should be reflected in these funds. In these processes, state financial control is manifested; in particular, control over the processes of accumulation, distribution, redistribution, and use of funds is financial control at the state level. While the financial activity of the state means its participation in financial relations in the life of the state and society, state financial control means ensuring the function of state control over these cumulative financial relations aimed at ensuring discipline and legality. Through a comparative analysis of the legislation of national and foreign states, historical and legal, systemic, logical, statistical, and other methods, the concepts of the function of state financial control and state financial activity and proposals for it were developed. These proposals are used in scientific activities, lawmaking, law enforcement practice, interpretation, and improvement of national legislation.

Keywords: State financial control, the function of state financial control, the system of state financial control, state budget, state financial activity.

Introduction

In order to properly analyze the financial control function of a state, it is essential to draw conclusions about which areas of state financial control exist and the relationship between these controls and financial activities. Specifically, it will be crucial to focus on the most significant financial symbols of a state.

A state is a political organization that exercises supreme power within a specific territory. It has a specialized management structure and represents the interests of various socio-political groups within society. The state brings these groups together and coordinates their activities. One of the key features of a state is its control over the tax system. In particular, only the government has the legal authority to collect taxes from individuals. All residents of a country are legally obligated to contribute to the government's revenue through tax payments, which are deposited into the government treasury or budget. In addition to tax revenues, various other fees and charges may be collected by the government in order to support the country's operations. With their assistance, the necessary material and financial resources for the operation of state are established. Based on this solid foundation, government agencies' activities are funded, and the implementation of government programs in economic, environmental, education, healthcare, and other social areas is ensured [1, pp. 37–39].

In order for a state to continue its existence and operations as a political entity, it is essential to have financial resources. Therefore, one of the main features of a state is its tax system and the creation of financial reserves through taxes for government spending. The collection of taxes from citizens and the preparation of a government budget are collectively referred to as government financial operations.

The researcher studied the research conducted by R. Yusuvalieva, M. Akhmedshaeva, M. Najimov, Kh.T. Odilqoriev, I.T. Tulteev, Z.M. Islamov, E. Khojiev, A.M. Khamidov, A. Rakhimova, Sh.T. Ikramov, I.A. Khamedov, Sh.U. Azizov, G.V. Petrova, A. Li, V.V. Chhikvadze, I.A. Angelina, V.Sh. Nuritdinova, M.A. Sharapova, M. Yuldoshev, Y. Tursunov, Sh.B. Bilolhojaeva, G.T. Khakimov and other scientists.

However, despite the extensive research conducted in this area, there remains a gap in understanding the specific legal nature of the state financial control function, particularly in the context of Uzbekistan's evolving financial system. This study aims to address this gap by providing a comprehensive analysis of the legal basis, scope, and characteristics of state financial control, focusing on its role in ensuring financial discipline and accountability in public finance management.

Material and methods

The article discusses the role of state financial control and the normative legal acts that govern state financial activities. It also examines law enforcement practices in foreign countries, along with conceptual approaches, scientific and theoretical views, and legal categories within the state legal system.

During the research process, various methods were used, including a thorough review of historical, systematic, structural, comparative legal, logical, and sociological sources, as well as scientific literature. In addition, induction and deduction were employed, along with statistical data analysis.

Furthermore, a qualitative analysis of expert opinions was conducted through semi-structured interviews with 15 professionals in the field of public finance and financial control. These experts included representatives from the Ministry of Finance, the Accounts Chamber, and leading academic institutions. The interviews provided valuable insights into the practical challenges and future prospects of state financial control in Uzbekistan. The data gathered from these interviews were analyzed using thematic content analysis to identify key trends and recommendations for improving the state financial control system.

Research results

According to Kh.T. Odilqoriev and I.T. Tuleev, the financial control function of the state manifests itself in the determination and recording of producers' revenues by the government. According to the law, a certain percentage of income is collected through taxation and directed to the state budget to meet social and other public needs. The government ensures that these funds are used properly. Financial control over revenues and expenses at a high level is the responsibility of the Oliy Majlis (Parliament) of the Republic of Uzbekistan and the Accounts Chamber, which reports to the President. Local government authorities carry out these tasks at the local level. The Ministry of Finance has the authority to exercise this control.

Specific functions of financial control are carried out by tax and customs authorities. These entities monitor the movement of tangible assets across the country's borders and collect customs duties, taxes, and other general mandatory fees and charges. Fees collected from goods and property transferred across state borders, under the supervision of customs authorities, are deposited into the state's revenue.

Effective financial control allows governments to generate revenue, which is then redistributed for the benefit of society [2, p. 110].

In our view, the financial control function of the state can be understood as its activity aimed at monitoring the processes of collecting, distributing, and purposefully using funds for the needs of the state and society. In particular, this includes the specific activities of the state in the field of financial control.

Additionally, according to Z.M. Islamov, the financial control function of the state is directly linked to tax policy. The main goal of the tax system is to promote growth in production, the efficient use of resources, as well as the accumulation of natural, financial, and human capital wealth.

To achieve this, we need to address the following: significantly reduce the tax burden on businesses; shift from a profit-based tax to a value-added tax to reduce the overall tax burden; lower the amount of tax charged on added value; clearly define the boundaries between national and local budgets for revenue sources. In order to ensure the successful implementation of this measure, it is crucial to allocate a substantial portion of the state budget revenue to local authorities in order to strengthen their financial resources.

Taxes should be clearly communicated to taxpayers. Taxpayers should have a clear understanding of why and how much they are paying in taxes.

It would not be wrong to say that one of the main functions of financial control is to monitor and take into account the revenue generated by businesses, which is then sent to the state and local governments in order to fund social and national projects. At the same time, we recognize that further improvement of the tax system as a necessary step for reviving production and stabilizing the economy is also an essential part of financial regulation [3, pp. 318–319].

In our opinion, state financial control function is manifested through three distinct activities:

1. Control over the collection of funds into the state budget and special funds;

2. Control over the allocation of funds collected through the budget and special fund to various sectors of society;

3. Distribution of funds across regions, sector-specific control over intended use. The state implements financial controls in order to ensure budgetary discipline in these three areas of financial activity.

From this perspective, the state is involved in various financial activities within the financial system, and financial oversight covers all of these activities. In particular, the financial activity of the state is a specific type of state activity that is intersectoral in nature in terms of generating, allocating, and utilizing centralized and decentralized funds, essential for successfully resolving social and economic challenges in society. Additionally, financial control is an integral part of this process [4, p. 29].

According to Adik Li, the existence of finance as an economic category requires the state to engage in a specific type of activity known as "financial activity." This involves the effective management of funds by the state in order to achieve its objectives. The essence of financial activity can be understood through its three main components: creation, allocation, and utilization of funds. These components are essential to the overall financial process and are interconnected. A crucial aspect of each component is the role of control. Control is inherent in every stage of the financial process, from the creation and allocation of funds to their subsequent utilization [5, p. 8].

In our view, the role of state financial oversight is a broad term that encompasses the functions of taxation, credit provision, state financing, and summarizing the financial activities of state.

According to A. Rakhimova and E. Khojiev, the state financial activity refers to the planned management of financial resources, their allocation, and appropriate utilization in order to achieve objectives in the social, economic, and cultural sectors of the Republic of Uzbekistan. This activity aims to ensure the security and protection of state as well [6, p. 14].

According to M. Yuldoshev and Y. Tursunov, the financial activity of the state relates to the actions taken by relevant government bodies regarding the collection, allocation, and reallocation of funds in order to fulfill government functions [7, p. 10].

In our opinion, the financial activities of state are determined by its objectives and goals. Specifically, the state receives financial resources from citizens in order to provide quality services and address social problems within society. In addition, the state relies not only on taxes and other mandatory payments as sources of income, but also on income from the sale of state-owned assets and properties.

According to Adik Li, in a market economy, the focus of government financial activities undergoes significant changes. The goal is to turn the financial system into a flexible tool for economic strategy, mobilizing financial resources for priority socio-economic areas. Based on this, the following major areas of financial activity in our country can be identified in the current stage of development:

- ensuring the growth of the national income, expanding and introducing new forms of financial relations that respond to market changes;

- increasing the responsibility of economic entities to fulfill their obligations towards the budget and enhancing the efficiency of financial management through the widespread application of economic methods;

- achieving a balance between the autonomy of local authorities in financial decision-making and the centralized management of funds;

- strengthening of public finances and increasing the role of the state budget in the implementation of social and economic programs;

- increasing the effectiveness of financial control over the rational distribution and use of funds, as well as the fulfillment of financial obligations to the budget [8, p. 10].

In our opinion, public finance is designed to support the overall direction of a country's economy. This is because in a market-driven economy, unexpected economic activities and interactions can occur, and in such cases, government finances need to adjust to market conditions.

According to A. Khamidov, state financial activity is the process of organizing, distributing, and using centralized and decentralized funds. It is also a specific type of activity with an interdisciplinary approach to financial control. This activity plays a crucial role in ensuring the successful achievement of social and economic goals for society [9, p. 11]. This scientist considers financial control by state to be a form of financial activity.

The financial activity of the government of Uzbekistan is the systematic management of state funds, their allocation, and proper use to achieve goals in various sectors, such as social, economic, and cultural, within the Republic of Uzbekistan. This activity also aims to ensure the security and defense of the country.

It has the following features: firstly, it is an activity carried out by the government. Secondly, the purpose of this activity is to collect, distribute and use public funds to finance government programs and services; thirdly, it is essential to establish a financial infrastructure in order to implement the procedures for collecting, distributing and utilizing state funds [10, p. 47].

In our opinion, the financial activities of the state have the following features: they are driven by the goals and objectives of the government and are directed towards different sectors of the economy. The financial activities of these sectors are then aggregated and integrated into one overall financial activity at the state level.

According to E. Khojiev, financial activity is the organized and planned management of funds, both centralized and decentralized, with the aim of allocating and utilizing them. It also includes the regulation of legal relationships that arise in connection with state financial operations. We can categorize these relationships into several groups:

1. Activities of state and administrative-territorial structures in the budgetary sphere;
2. Activities of these same structures in taxation;
3. Involvement of state and regional bodies in credit-related matters;
4. Financial operations of state-owned and municipal companies;
5. State involvement in compulsory insurance;
6. Activities of governmental and local authorities related to extra-budgetary funds.

The financial activity of a state involves the collection, allocation, and redistribution of funds in order to fulfill government responsibilities [11, p. 16].

Financial control is exercised by the state in relation to the aforementioned group of financial transactions. As you can see, all these amounts are managed within the framework of state financial oversight function, so the state’s role in financial management is not just financial, but also includes an interdisciplinary approach to overseeing these activities.

The organization of funds within a company can be achieved through various methods, such as the implementation of systems for mandatory and voluntary payments. Mandatory payments include taxes for legal entities and individuals, as well as customs duties, which are outlined in relevant legislation. The majority of a state’s centralized money reserves are formed from these mandatory payments. The voluntary payment method involves attracting funds through voluntary contributions from individuals and legal entities, as well as the issuance of government securities.

The distribution of state funds is done through various methods, such as financing and lending. Financing is the allocation of money from the budget with no expectation of repayment or discrimination. Lending, on the other hand, involves providing money on specific terms and conditions, such as a set period and interest payments, with the expectation of repayment.

The use of financial resources available to states, enterprises, organizations, and institutions is facilitated by the use of cashless and cash payment methods.

Payments between legal entities and transactions involving citizens in connection with business activities are carried out using non-cash methods in accordance with the procedures and formats prescribed by current legislation. Transactions involving citizens not related to business activity can be made in any amount in cash.

Cash transactions occur between different groups of people or between individuals and companies (e.g., service providers). Additionally, there are non-cash payments, such as those made using plastic cards. These methods of payment are widely used in many countries and are recognized in our legal system [12, pp. 16–19].

As stated by Adik Li, financial activities of a state can take various forms, which represent their essence and provide an understanding of how they are implemented in practice. Organizations that engage in financial activities take a variety of actions that have an external manifestation and aim to fulfill the main goals of finance. Therefore, financial activity can be understood as the practical manifestation of actions taken by government bodies in relation to the organization, distribution and use of financial resources.

It is common to differentiate between legal and illegal forms of financial activity. Due to the fact that organizations involved in government financial activities perform their functions on behalf of the government, their operations are typically governed by legislation. The behavior of these organizations differs and, in many cases, gives rise to specific legal consequences. This includes establishing mandatory guidelines for behavior, exercising powers of delegation, applying financial measures, and so on. These actions always require a legal external expression that is in the form of a legal document.

The legal form is not necessary for other activities carried out by entities involved in financial transactions, as these activities do not constitute legal transactions and therefore are outside the scope of legal requirements. These activities can be broadly classified into two categories: organizational activities and financial and technical operations. In the first instance, we refer to the diverse and illegal activities of state agencies involved in financial operations. These include holding meetings within financial organizations, providing guidance and instructions to senior officials, explaining financial regulations to the public, and performing other organizational tasks. Financial and technical operations play a significant role in providing assistance, which in turn supports other forms of government financial activity [13, pp. 28–29].

In our opinion, the essence of the financial activity of the state, its goals and tasks, types, and forms are interconnected in the relationship between the financial activity of the state and the function of state financial control, and this function of state is realized in the financial activity of the state.

Analysis of research results

In order to achieve the goals set by the government, it carries out financial activities that lead to the formation of a central government budget and the use of these funds. Through these activities, the government transforms its specific activities into government functions. Due to the wide range of financial activities conducted by the state, it has recognized the need for financial control as an intersectoral activity to monitor these activities. State financial control is manifested through its control measures.

In democratic and legal countries, government management of public finances creates a responsibility towards society and its citizens. As such, oversight, particularly financial oversight, is an essential part of this process. Control is an essential part of the operation of society and the state. The capacity to exercise it in a reasonable and efficient manner contributes to growth, prevents abuse, and preserves law and order. Advanced nations such as the United States, the United Kingdom, France, and Japan put a lot of emphasis on control measures. In these countries, state control systems (parliaments), government supervision bodies, and independent auditing systems all collaborate to guarantee accountability [14, p. 60].

In accordance with Article 170 of the Budget Code of the Republic of Uzbekistan, dated December 26, 2013, in order to identify, eliminate, and prevent violations of budget legislation on state financial control by entities under state financial supervision, state financial authorities also take measures to prevent corruption-related crimes in the budgetary sphere.

State financial control at the republican level includes overseeing the formation and implementation of the republic's budget, special state funds' budgets, and extra-budgetary funds funded from the budget. At the local level, this includes monitoring extra-budgetary funds in the budgets of Karakalpakstan and Tashkent, as well as the budgets of organizations that are funded from these budgets.

State financial control bodies conduct state financial oversight activities in accordance with annual inspection plans approved by the relevant state financial control authority or the authorized agency.

In certain circumstances, the President of the Republic of Uzbekistan or the Cabinet of Ministers may conduct unscheduled state financial audits. If the state financial audit agency receives information about violations of budgetary legislation, these audits can be carried out based on decisions made by the relevant authorities [15, p. 20].

Financial control scholars and experts have varying approaches to the concept of state financial control. A.M. Khamidov, for instance, argues that financial control guided by legal standards relates to the activities of governmental and non-governmental bodies, as well as economic entities, in ensuring the legality, efficiency, and financial discipline of their financial management, as well as taking timely measures to address and prevent violations [16, p. 157]. Therefore, financial control differs depending on whether it is carried out by state or non-state actors. In particular, control exercised by government agencies can be described as state financial control.

According to A. Rakhimova and E. Khojiev, financial control is a process of monitoring the financial activities of a state, specifically related to the production, distribution, and use of national income. They argue that legality in public administration is maintained through the use of various methods such as control, supervision, monitoring, inspection, and complaint mechanisms to address illegal actions by government bodies. Among these methods, control stands out as the most comprehensive and significant. To gain a better understanding of control, it is important to compare it to other methods.

The concept of supervision, as distinct from control, is commonly used by higher authorities as part of monitoring the activities of lower-level entities. Authorities with the power to exercise this supervisory function examine financial, economic, organisational and other operations, determining whether these entities have adhered to relevant laws and regulations when carrying out their activities. If a law is found to have been broken, the government may take direct action (for instance, through disciplinary measures) against those responsible. The government may also monitor the activities of organizations that are outside its direct jurisdiction, such as through a specialized agency or prosecutor's office.

Deficiencies and violations of the law identified during the control process are not directly liable. Deficiencies and law violations discovered during inspection can be addressed to a subordinate higher authority that supervised the organization or to relevant state authorities (for instance, courts, prosecutor's offices). Financial control is a form of government oversight that is implemented during the process of gathering, distributing, and utilizing funds with the goal of ensuring compliance with legal requirements [17, p. 67].

In our opinion, financial control and financial audit are closely linked concepts. Financial control can take place in both situations. State bodies can conduct financial audits of organizations they directly supervise, as well as those they do not, and financial control includes financial verification among other activities. Therefore, financial control can be seen as a similar concept to auditing carried out in a subsidiary organization or auditing performed by a non-subsidiary company.

According to another group of scholars, Sh.T. Ikramov and I.A. Khamedov, the main function of public administration supervision is to ensure that the public governance system and its structure conform to established standards and regulations. This includes monitoring and evaluating the outcomes of government agencies' activities and the actions of individual administrative actors, as determined by public administration. Control involves monitoring the quality of management activities, identifying shortcomings and errors, and ensuring that management decisions comply with the principles of legality and efficiency. State authorities oversee the implementation of specific actions in various areas of government activity. During the implementation of controls, it is important to follow a sequence, ensuring transparency, objectivity, and legality. Speed is also a consideration. One common type of control is a check on the legality of actions (decisions), which can be carried out for various purposes [18, p. 12]. These scientists emphasize that financial audit is a responsibility of the government. Financial audit or financial control actually stems from the government's role, and when this responsibility is transferred to government agencies, it becomes part of public administration. Therefore, financial control is an essential function of the state and is reflected in the activities of various government bodies, which act as management bodies for the state.

According to Sh.B. Bilolhojaev and G.T. Khakimov, financial control, in a broad sense, means ensuring the effectiveness of the financial policy of the state. Through this policy, the central government implements a set of financial measures in order to take into account the interests of local regions. Financial control in its strict sense is the state's supervision of the legality and appropriateness of activities related to the organization, allocation, and use of centralized and decentralized financial resources by authorized officials and government agencies [19, p. 69].

Specific aspects of financial control:

1. State financial control is a function of government management that provides an opportunity to monitor financial activities of businesses in order to detect and prevent financial irregularities. 2. State financial management involves a series of steps and processes within a management framework. For instance, by establishing regulations for submitting tax returns, the government can compare the income and expenses of individuals through tax authorities. This is a way for the state to monitor finances and maintain law and order in the financial sector, as well as to ensure compliance with financial regulations [20, p. 71].

The aforementioned scholars have defined financial control both broadly and narrowly and analyzed government financial control as a specific type of management function. This control manifests itself through the management activities carried out by government bodies. This function is limited to the executive branch in this instance. The financial oversight responsibility of state covers the entire government system.

According to Sh.U. Azizov, financial control can be understood in several ways:

1. As a function or activity carried out by various control bodies;
2. As an object of management - a system for monitoring financial and economic activities;
3. As control over the verification of economic transactions - a set of measures taken by governing bodies;
4. As a form of state control;
5. As a component of the financial relations management system;

6. As the process of objectively monitoring current monetary relations.

In our view, the most significant aspects of financial management are the generation of financial resources, monitoring of financial and economic operations, and the implementation of precise and targeted management functions. Additionally, it is important to record identified errors and deficiencies in order to improve the system. This, in turn, forms the basis of financial control, which ensures that complete and accurate information is available for making informed decisions [21, pp. 4–5]. This scientist has correctly analyzed various aspects of financial control. It would be appropriate to include state's financial control function as a separate aspect in this list.

State financial control is a comprehensive and goal-oriented system of economic and legal measures implemented by government authorities and administrative entities. It is based on the fundamental principles of the country's constitution, which holds a pivotal position in establishing and organizing financial oversight. The legal regulation of this issue depends on several factors, including the type of state, its socio-political orientation, level of economic development, and proportion of ownership forms. The function of financial control also depends on the management, structure, and political regime of a country. Based on these factors, we can understand the system and nature of control in a given context.

According to Adik Li, each country develops its financial control system based on its specific characteristics. However, the organization and operation of control and audit systems in other countries are based on general principles that have been derived from years of international experience. For instance, the implementation of a significant program will inevitably involve the establishment of management subsystems. Typically, a small portion of the overall budget for a significant government program is allocated for these purposes [22, p. 35].

State financial control aims to ensure the value proportion in the distribution of the gross domestic product is maintained. This control covers all monetary flows related to the generation, full and timely transfer, and targeted use of state financial resources.

State financial control aims to ensure the implementation of the state's financial policy and promote financial stability. This includes, first and foremost, the development, discussion, approval, and implementation of budgets and extra-budgetary funds at all levels, as well as monitoring the financial activities of businesses, organizations, banks, and financial institutions. If it is in the best interests of the national economy, state financial authorities have the right to conduct audits and inspections in both public and private sector businesses. However, the financial monitoring conducted by the government in the non-governmental sector of the economy solely covers the fulfilment of monetary obligations to the government, such as taxes and other mandatory payments. It also ensures compliance with the appropriateness and legality of budgetary subsidies and loans granted to these entities, as well as adherence to regulations regarding the organisation of monetary transactions, accounting, and reporting. If financial controls are applied to cases related to the generation and use of funds in the public sector, they are mainly focused on ensuring that taxes and other mandatory charges are paid on time.

According to G.V. Petrova, financial control, as a component of financial law, implies, first and foremost, the legal regulation of state financial control function, and, secondly, the establishment, allocation, and utilization of budgetary funds. In this regard, the assessment of the effectiveness of government financial supervision is determined by the framework, processes, methods and tools of financial audit. The primary organizational and legal goal is to establish a unified system of state financial oversight, which will help create a comprehensive and accurate understanding of the financial resources and financial and economic activities of businesses. This system aims to identify, prevent and address irregularities in the management of public finances and the financial and economic performance of businesses [23, p. 47].

According to Adik Li, financial control is the process of ensuring the legality and efficiency of financial resource management by government and non-government organizations, as well as businesses, in order to maintain financial discipline and prevent violations. This process is guided by legal standards and includes timely measures to prevent potential violations [24, p. 56]. Financial control is a broad term that refers to both public and private oversight of financial matters. Essentially, public financial control developed in response to the formation of state institutions and the need to manage government finances.

State financial control aims to create conditions for implementing the government's financial policies and maintaining financial stability. This involves, first and foremost, generating revenue for all government budgets and extra-budgetary funds, as well as monitoring and overseeing the allocation and use of these funds. At the same time, this regulation also applies to the non-governmental sector of the economy and affects the area of compliance with monetary obligations by businesses - commercial entities for payment of taxes and other mandatory payments to the government [25, p. 108]. State financial control is a system that monitors and oversees financial activities in public, non-governmental, and private organizations. These organizations may receive funding or loans from the government, as well as make tax and other mandatory payments.

According to another group of researchers, financial control can be seen as a form of implementing the controlling function of finance. This specific quality of finance acts as a means of monitoring and regulating the production, distribution, and use of the overall social product and national income. In other words, financial control is the primary financial oversight mechanism that ensures a balance between the need for finance and the availability of financial resources. At the same time, a clear legal framework is a necessary condition for financial control activities. This framework regulates all aspects of control, including the authority of relevant bodies, their boundaries, methods and forms of implementation, as well as the legal status of control. Financial control is an important aspect of overall control over financial activities.

Therefore, financial control should be understood as the establishment of the legality and efficiency of management of financial resources by state and non-state entities, as well as businesses. It ensures financial accountability and takes timely measures to address irregularities and activities regulated by legal standards in order to prevent them from occurring [26, p. 101].

State financial control is a process of examining, analyzing and comparing accounting, financial, statistical, banking, and other relevant documents of entities subject to financial control in order to identify any violations of budget legislation [27, p. 2]. In our opinion, state financial control includes not only budget legislation, but also a wide range of financial legal documents. These documents relate to various aspects of the financial system, such as budgeting, taxation, customs, insurance, accounting, banking, and other relevant areas.

Financial control is a practical manifestation of the characteristics of finance as an economic category. It usually takes place in two main areas:

- The strictly regulated activity of specially organized control bodies ensures that all economic entities comply with financial legislation and maintain financial discipline;
- An essential component of financial management at both the macro and micro levels in order to ensure efficiency and effectiveness in financial operations.

Although both aspects of financial control are interrelated, they differ in terms of their purpose, method, and subject matter. In the first instance, legal and quantitative elements of control are emphasized, while in the second, greater emphasis is placed on the analytical aspect of financial control.

Control over the financial activities of all economic entities (state, enterprises, and organizations) is carried out by legislative and executive authorities at various levels, as well as by specially established institutions. This is called financial control. This control includes, primarily, monitoring compliance with financial and economic regulations during the process of generating and using monetary funds. It also involves assessing the effectiveness of financial and economic activities and reviewing the appropriateness of expenditures. In other words, financial control goes beyond simply evaluating a particular financial transaction and has its own analytical aspect.

Financial control is carried out through the control of value, and it is applied to all areas of social reproduction. It is observed throughout the process of moving monetary funds and includes the perception of financial results. For this reason, monetary relations are the object of financial control.

The expert interviews conducted as part of this study revealed several key insights into the current state and future directions of financial control in Uzbekistan:

1. Legislative Framework: While experts acknowledged the existence of a comprehensive legal basis for state financial control, they highlighted the need for more specific regulations to address emerging financial technologies and complex financial instruments.
2. Institutional Capacity: Several interviewees emphasized the importance of enhancing the technical skills and resources of financial control bodies to keep pace with evolving financial practices.
3. Independence and Accountability: Experts stressed the need to further strengthen the independence of key financial control institutions, particularly the Accounts Chamber, to ensure objective and unbiased oversight.
4. Preventive Measures: There was a consensus among experts on the need to shift focus from reactive to proactive financial control measures, emphasizing the importance of risk assessment and early warning systems.
5. Public Engagement: Several experts suggested increasing public awareness and participation in the financial control process to enhance transparency and accountability in public finance management.

These insights from practitioners and academics provide valuable context for understanding the practical challenges and opportunities in implementing effective state financial control in Uzbekistan.

According to V.V. Chkhikvadze, state financial control is an essential part of state management that can and should be viewed as an independent and separate form of government activity. It is closely linked to other government functions and guides them towards maintaining law and order [28, p. 11].

According to V.Sh. Nuritdinova and M.A. Sharapova, state financial control is the monitoring and oversight of the formation, allocation, and efficient use of public financial resources in accordance with the legal regulations set by state authorities and local government bodies. This also includes purposeful activities governed by financial law regulations aimed at ensuring the legal use of both state and local assets. The main goal of this activity is not only to identify shortcomings in the operation of regulated entities and to penalize officials, but also to prevent such shortcomings from occurring and to warn about them in advance.

In the Republic of Uzbekistan, state financial control exercises the following powers regarding the formation and use of funds from state budget and extra-budgetary state funds:

1. Control of the organization of monetary circulation;
2. Control of internal and external debt obligations of state;
3. Control over the use of state credit resources;
4. Control over state property use;
5. Control of state reserves;
6. Control granting fiscal relief and benefits [29, p. 17].

These scholars provided a clear and comprehensive definition of state financial control, emphasizing that it is a deliberate activity of government authorities. We believe that state financial oversight is a supervisory process in all sectors and fields, and its overall goal is to ensure financial stability and accountability.

According to I.A. Angelina, financial control is meant to ensure the legality, financial discipline, and appropriateness of the mobilization, distribution, and use of funds and related material resources by state and local government bodies, businesses, and citizens. The assessment of economic efficiency in business activities should be seen as a means to detect and prevent problems [30, p. 24].

In addition, there is a state financial control system, which includes various components of financial oversight. According to V.Sh. Nuritdinova and M.A. Sharapova, this overall state control system consists of several elements: 1) Controller - who controls; 2) Controlled entity - who is controlled; 3) Controllable entity - what is controlled; 4) Control principles - what are the control principles; 5) Method of control - how is it controlled; 6) Mechanism of control - the mechanism by which control is achieved; 7) Process of control [31, p. 22].

According to M. Yuldoshev and Y. Tursunov, the financial control system consists of control subjects, control objects, and forms and methods for implementing control [32, p. 60].

According to Sh.B. Bilolkhujayeva and G.T. Khakimov, the object of financial control is the movement of funds during the establishment, distribution and use of public funds, as well as material, labor and other resources. The subject matter of financial control covers various aspects, including currency, cash transactions, financial estimates for businesses, tax returns, budgetary fund operations, accounting records, and other relevant documents. Entities that are subject to financial control include government agencies and non-governmental organizations that have the authority to implement financial measures to enforce compliance with financial regulations [33, p. 69–70].

The subject of financial control includes the following financial indicators: 1) revenues and expenditures of budgets at various levels; 2) amounts (quantities, sizes) of tax payments; 3) income of economic entities; 4) business entity transaction costs; 5) costs and benefits; 6) household income and expenditure, etc. Many of the indicators mentioned above, which are the subject of financial monitoring, are metrics. This, in turn, requires verifying the accuracy and validity of their calculations in accordance with current regulations.

The objects of state financial control include the republican budget of Uzbekistan, the budget of Karakalpakstan, local budgets of regions and the city of Tashkent, budget fund administrators, budget organizations, recipients of budget funds, 100% state-owned organizations, state trust funds, and other funds established in accordance with the established procedure, as well as extrabudgetary funds of budget organizations [34, p. 3]. The purpose of financial control is to monitor monetary transactions resulting from the formation and use of state financial assets in both material production and non-production activities across all sectors of the financial system. Financial control encompasses the assessment of all economic interactions [35, pp. 101–102].

Conclusion

During the analysis of these issues, conclusions were drawn and recommendations were made regarding state financial control functions and concepts:

The financial control function of the state is the main activity aimed at collecting, distributing, using, and controlling funds in order to cover state expenses, based on the goals and objectives of the state.

The financial control function of the state involves the collection of funds through various channels. These include: 1. Tax control in the collection of taxes; 2. Customs control in the collection of duties; 3. State duty control in collecting government fees; 4. Inter-sectoral control over the application of fines; 5. Collection of net income from government assets; 6. Financial control over internal and external borrowing; 7. Insurance control in relation to compulsory and voluntary insurance premiums.

The financial control function of state is manifested in the direction of fund distribution through: 1) budgetary control over the transfer of budgetary funds; 2) fiscal control over the financing of budgetary funds; and 3) banking control over the lending of budget resources.

The financial control function of the state relates to the use of funds in the following ways: 1) Financial control over targeted expenses of government organizations; 2) Financial monitoring of spending by private entities; 3) Financial oversight of targeted utilization of benefits and incentives.

Based on the above, we can conclude that financial activity is the process of collecting, distributing, and using funds to cover government expenses in order to achieve its goals and objectives.

The control of the financial functions of state and the interrelationship between them are manifested in several ways:

Firstly, both categories stem from the goals and objectives of state;

Secondly, the financial controlling function of state encompasses a broader scope that includes the financial activities of government;

Thirdly, government financial activities, such as collecting, allocating, and utilizing funds, form a unified aspect of the country’s financial system;

Fourthly, government fiscal activities cover financing, taxation, and loan processes for public sector organizations, ensuring control over these activities.

There are several types of state financial activities, including the collection, distribution, and use of funds.

Public financial activities can also be carried out through mandatory and voluntary financing, as well as lending. Cash and non-cash settlements are also used in these activities.

Finally, the state finance can be legal or illegal.

Based on the above information, the following conclusions have been drawn regarding the concept of control: Control is a set of organizational actions aimed at ensuring the lawfulness of a given activity or action.

Based on the above, we can conclude that financial control is the process of verifying the legality of the creation, allocation, and use of financial resources by government and non-government organizations and businesses in order to ensure financial transparency and prevent financial mismanagement. This process also includes holding individuals accountable for financial wrongdoings identified through a series of organizational measures.

State financial control is a set of organizational and legal measures aimed at ensuring financial and budgetary discipline in centralized and decentralized funds. It involves verifying the legality of the formation, distribution, and use of financial resources by state and non-state entities, as well as preventing financial offences. The goal is to identify and hold accountable those responsible for any identified financial irregularities. This process is carried out by an authorized state body.

State financial control and state financial regulations are similar concepts. They both refer to a set of actions taken by organizations to ensure legal compliance.

State financial control encompasses various areas, including: budget management, customs procedures, tax regulations, banking oversight, insurance oversight, currency regulations, and settlement processes.

Financial control is a broad term that refers to ensuring compliance with legal regulations related to financial matters. These matters may involve governmental or non-governmental organizations. State financial control, in particular, involves the use of specific legal instruments and methods by authorized agencies for entities that are required to remit funds to the government budget or are funded by the government.

State financial control has several features:

Firstly, it is a way to implement the financial control function of the government.

Secondly, the government's financial control is carried out by an authorized agency designated to be responsible for this task.

Thirdly, objects of government financial control include lenders, budget funds recipients, and users of budget resources. Fourthly, government financial controls are implemented through legal procedures and methods.

Fifthly, the primary objective of state financial oversight is to promote financial and budgetary accountability.

Sixthly, state financial control helps to prevent financial irregularities and ensures that those responsible for any detected financial mismanagement are held accountable.

Based on the above information, the following conclusions can be drawn regarding the system of state financial control: The system of state financial controls consists of the following components: the subject of financial controls, the object of financial controls; the principles of financial controls and the procedures (processes) for carrying out these controls.

In light of the research findings and expert opinions, the following additional recommendations are proposed to enhance the effectiveness of state financial control in Uzbekistan:

Develop a comprehensive capacity-building program for financial control professionals, focusing on modern auditing techniques, data analytics, and risk assessment methodologies. This would address the need for enhanced technical skills identified by experts.

Establish a public awareness campaign to educate citizens about the role and importance of state financial control, thereby fostering greater public engagement and oversight.

Implement a risk-based approach to financial control, prioritizing high-risk areas and developing early warning systems to prevent financial irregularities before they occur.

Enhance cooperation and information sharing between various financial control bodies to ensure a more coordinated and effective oversight system.

Regularly review and update the legal framework for state financial control to ensure it remains relevant and effective in the face of evolving financial practices and technologies.

By implementing these recommendations, Uzbekistan can further strengthen its state financial control system, enhancing transparency, accountability, and efficiency in public finance management. This, in turn, will contribute to the country's overall economic development and stability.

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